GROWTH SECURITIES (PRIVATE) LIMITED
UNAUDITED 3RD QUARTER FINANCIAL STATEMENTS
AS AT March 31, 2021

GROWTH SECURITIES (PVT) LTD.

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Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

DIRECTORS REPORT TO THE SHAREHOLDERS
FOR THE HALF YEAR ENDED March 31, 2021

Your Directors are pleased to place before you 3rd Quarter Report along with the un audited accounts of the company for the half year ended March 31, 2021. The working results of the company for the said period are given as under:

Total Income	Rs. 206,144,053
Operating expenses	Rs (35,525,514)
Profit before taxation	Rs. 170,618,539
Taxation	Rs (805,769)
Profit after taxation	Rs. 169,812,771

On behalf of the board
For Growth Securities (Private) Ltd.

Chief Executive Officer
Mohammad Shahid

Director
Zeeshan

Karachi
April 23, 2021

GROWTH SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT March 31, 2021

EQUITY AND LIABILITIES	Note	2021 Rupees
SHARE CAPITAL AND RESERVE		
Authorized Share Capital		
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000
Issued, Subscribed and Paid up Share Capital		
10,000,000 (2016: 10,000,000) Ordinary shares of Rs. 10/- each	3	100,000,000
Unappropriated profit		457,438,210
		557,438,210
Capital reserves		-
		557,438,210
Non - Current Liabilities		
Loan from director		92,800,000
Current Liabilities		
Creditors, accrued and other liabilities	4	53,417,852
Short term loan from director		47,450,000
Bank overdraft	12.1	-
		751,106,062
ASSETS		
Non - Current Assets		
Property, plant and equipment		36,539,268
Intangible	5	2,500,000
Investment in PIBs	6	899,146
Long term deposits	7	1,500,000
Current Assets		
Trade debts (including Margin Finance Amount)	8	176,198,262
Advances, deposits, prepayments and other receivables	9	179,121,581
Loans and advances	10	764,000
Investment	11	330,421,373
Investment in MCB Cash Management		-
Cash and bank balances	12	23,162,432
		751,106,062

The annexed notes form an integral part of these financial statements.

Chief Executive Officer

Director

GROWTH SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED March 31, 2021

	Note	2021 Rupees
Commission income		23,361,352
Operating expenses	*13*	(33,526,716)
Operating (loss)		**(10,165,364)**
Financial and other charges	*14*	(1,998,798)
Other income	*15*	182,782,701
Profit before taxation		**170,618,540**
Taxation		
- Current		(805,769)
- Prior		
		(805,769)
Profit for the year		**169,812,771**
Earnings per share		**16.98**

The annexed notes form an integral part of these financial statements.

Chief Executive Officer

Director

GROWTH SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND OPERATIONS

1.1 The Company was incorporated in Pakistan on February 24, 2005 as a Private Company limited by shares under the Companies Ordinance, 1984. The registered office of the Company is situated at Room No. 82 to 83, 2nd Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the company is to carry on the business of stock, brokerage, underwriting and investment etc.

1.2 The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These financial statements have been prepared under the ' historical cost convention'.

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates / judgments and associated assumptions used in the preparation are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates / judgements / assumptions will, by definition, seldom equal the related actual results. The estimates / judgements and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods.

2.2 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Company Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Company Ordinance, 1984. Wherever the requirements of the Company Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Company Ordinance, 1984 or the requirements of the said directives shall prevail.

2.3 Taxation

Current
Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, in accordance with the provisions of the Income Tax Ordinance, 2001.

2.4 Trade and other Debts

Trade and other debts are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

2.5 Trade and Other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

2.6 Provisions

Provisions are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances and bank deposits. Cash and cash equivalents are carried in the balance sheet at cost.

2.8 **Revenue Recognition**

Sales and purchases of securities are recognized on the date of contract. Capital gain or loss on sale of marketable securities is taken to income in the period in which it arises.

Brokerage and other income is accrued as and when due.

2.9 **Investments**

Investment at fair value through profit or loss
Investment classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investment are measured at fair value with any resulting gains or losses recognized directly in the profit and loss account. The fair value of such investment is determined on the basis of prevailing market prices.

Available for sale
Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale.

2.10 **Financial Instruments**

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account, currently.

3. **SHARE CAPITAL**

		2021
		Rupees
Authorized Share Capital		
Number of Shares 12-Jul-05		
10,000,000	Ordinary shares of Rs.10/- each	100,000,000

Issued, Subscribed and Paid-up Share Capital

3.1 Pattern of shareholding

Name of Shares holders	Percentage	Number of Shares
- Muhamamd Shahid	51.000%	5,100,000
- Muhamamd Iqbal	48.995%	4,899,500
Zeeshan	0.005%	500
	100%	10,000,000

4. **CREDITORS, ACCRUED AND OTHER LIABILITIES**

Creditors	17,549,516
Accrued expenses and other payable	34,124,497
Payable NCCPL	-
Other Liabilities:	
- Sindh sales tax and withholding tax	1,743,839
	53,417,852

5. **INTANGIBLE**

	Note	2021 Rupees
Trading rights entitlement certificates	5	2,500,000
		2,500,000

5 Pakistan Stock Exchange Limited vide their letter dated 08 August 2017 has determined value of Pakistan Stock Exchange Limited Trading Rights Entitlement Certificate for base minimum capital purpose amounting to Rs. 2.5 million.

6. **INVESTMENT IN PIBS**

	Note	2021 Rupees
Investment in Pakistan Investment Bond securities		899,146
		899,146

7. **LONG TERM DEPOSITS**

	Note	2021 Rupees
CDC deposit		100,000
NCCPL deposit		1,200,000
PSX deposit		200,000
		1,500,000

8. **TRADE DEBTS**

	-
Debtors Unsecured - considered good	145,363,179
Receivables against margin finance	30,835,083
	176,198,262

9. **ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Advance tax	31,570,499
Deposit into NCCPL against exposure	41,700,000
Deposit against sale of PSX Shares	-
PSX deposit BMC maintenance	-
Prepayments/Staff Advance	120,000
Dividend receivable	35,488
Receivable from PSX/NCCPL	105,695,594
Other receivables	-
	179,121,581

10. **LOANS AND ADVANCES**

Staff loan	764,000
	764,000

11. **INVESTMENT - fair value through profit and loss**

Investment in listed securities	330,421,373
	-
	330,421,373

Inves

12. **CASH AND BANK BALANCES**

Cash in hand	116,930
Cash at banks:	
- Current accounts	3,460,076
- Saving accounts	19,585,426
	23,162,432

12.1

12.2 **Bank Overdraft** -

13. **OPERATING EXPENSES**

	Note	2021 Rupees
Salaries, wages and benefits	*13.1*	27,503,717
Repair and maintenance		378,455
Travelling and conveyance		452,797
Utility charges		800,341
Entertainment		896,361
KSE charges		378,229
Printing and stationery		122,498
Professional charges		287,665
Computer and software expenses		1,956,826
Annual Membership and other Fees		40,000
Miscellaneous expenses		189,712
Insurance Expense		412,088
Medical Expense		75,000
Nadra Verisys		5,840
Audit Fee		27,187
		33,526,716

13.1

14. **FINANCIAL AND OTHER CHARGES**

Bank charges	626,279
Mark-up on bank overdraft	1,372,519
	1,998,798

15. **OTHER INCOME**

Realized gain on investment in shares	173,198,450
Unrealized (loss) / gain on revaluation of investment	(2,723,448)
Interest on bank deposits	695,199
Dividend income	5,371,798
Gain on future exposure	2,129,711
Premium on MF	3,065,788
Gain /(Loss) on Investment Mutual Fund/PIB	964,689
Other income	80,514
	182,782,701

16. EARNINGS PER SHARE

Profit after taxation	169,812,771
Number of ordinary shares	10,000,000
Earnings per share	16.98

17. CASH AND CASH EQUIVILENT

	2021 Rupees
Cash and bank balances	23,162,432
Bank overdraft	-
	23,162,432

18. CAPITAL ADEQUACY LEVEL

Total Assets	751,106,062
Less: Total Liabilities	(193,667,852)
Revaluation reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	557,438,210

Chief Executive Officer

Director